GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4009
ANSWERED ON:23.03.2001
CLOSURE OF BANK BRANCHES
DAHYA BHAI V. PATEL;RAMKRISHNA KUSMARIA;TEJVEER SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has granted permission to UCO Bank to close down its branches in rural and semi-urban areas;

(b) if so, the reasons therefor;

(c) whether the Government have studied the wide ranging ramifications of the decision especially with regard to public sector banks commitment to the socio-economic fabric of the country; and

(d) if so, the details in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): Yes, Sir. Reserve Bank of India has permitted UCO Bank for closure of its unviable branches in accordance with the Restructuring Plan drawn up for revival of the bank.

(c) & (d) : The restructuring plan includes rationalization of branches particularly in Metropolitan areas by merger or closure to reduce costs without affecting the service to the clientele. As regards rural centers, the banks are required to take due care that the rationalization process do not result in depriving the banking facilities to the public. Reserve Bank of India has also taken into account the available alternate arrangements of banking facilities to the public on account of closure/merger of branches by UCO Bank.